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## Keeping you informed

### Introduction

Welcome to the 49th edition of Agent Update. In this issue we feature the latest news on a number of consultation and discussion documents. Also included are Budget updates, PAYE late filing penalties and information relating to Paying HMRC including the 'Direct Recovery of Debt'. Other items include the 'Let Property Campaign' which gives individual landlords who are letting out a residential property in the UK or abroad, the opportunity to bring their tax affairs up to date and details of the new rules introduced from April 2015 in respect of Employment Intermediaries. We also report on changes to National Insurance for apprentices employed under the age of 25, and an update from the Pensions Regulator advises on a new suite of automatic enrolment videos for business advisers. Look at the latest news from the Working Together partnership which includes an article on 'Digital Agent Engagement - Working Together in a digital age'. Also featured are links to the latest publications for employers, pensions, VAT, trusts and estates.

We recognise that not all topics will be relevant to you, but by scanning the brief introductions to each piece you should be able to quickly identify the topics that are of interest to you within a couple of minutes. You can then follow the link to view the full information.

Don't forget to register with us. You can sign up for email reminders as each edition is published. To do so please use the link below.

[Sign up to receive email reminders of future issues of Agent Update](#)

If you have any queries about this publication please contact: [Andria Barber, Editor](#)

### Tax

Developments and changes to legislation and allowances relating to UK tax.

### HMRC service

Changes to HMRC service, upcoming HMRC events and guidance.

### Consultations

Details of live consultations and response summaries.

### Working Together

Latest updates from the partnership between HMRC and the six main agent representative bodies.

### This month's top articles

#### [Summer Budget 2015](#)

Find updates and supporting documents issued as part of the Summer Budget presented to Parliament on 8 July 2015.

#### [Agent Online Self Service \(AOSS\) - update](#)

In response to agent feedback, we have enhanced the AOSS private beta to include a monthly breakdown, showing how payments received have been allocated to each period.

#### [HMRC toolkits for VAT Input, VAT Output and VAT Partial Exemption](#)

Guidance for tax agents and advisers on completing VAT returns has been updated.

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## Capital Gains tax

### [Capital Gains Tax for non-UK residents: sales disposals of UK residential property](#)

From 6 April 2015 if your clients are not resident in the UK and sell or dispose of a UK residential property they will need to let HMRC know within 30 days of conveyance using HMRC's return.

[See non-resident Capital Gains tax return](#)

## Compliance

### [New return required by 5 April if a business supplies individuals to provide their services to someone else](#)

Anyone who supplies individuals to provide their services to someone else could be classed as an Employment Intermediary. They may be affected by the new rules introduced from April 2015 and will need to send in a return giving details of payments to workers not under PAYE by 5 Aug 2015.

### [Working to tackle tax avoidance](#)

HMRC endeavours at all times to treat all customers fairly and even-handedly. Find out about HMRC's approach to tackling tax avoidance, how to report a tax avoidance scheme and other relevant information.

## National Insurance

### [Apprentices under age 25](#)

From 6 April 2016, employers may no longer need to pay Class 1 secondary National Insurance contributions (NICs) if they employ apprentices under the age of 25.

## PAYE

### [PAYE late filing penalties](#)

HMRC has now issued the first in-year penalties notices to employers with fewer than 50 employees who missed the deadline for sending PAYE information to HMRC.

## Paying HMRC

### [Direct Recovery of Debts \(DRD\)](#)

The government is legislating in the Finance Bill to modernise and strengthen HMRC's ability to recover tax and tax credit debts directly from debtors' bank and building society accounts, including cash in ISAs. DRD may affect around 11,000 debtors each year. The policy incorporates all safeguards announced following consultation last year, including a guaranteed face-to-face visit to every debtor considered for DRD; an appeal to a County Court; and protection for vulnerable customers. HMRC will continue working collaboratively with stakeholder groups to ensure agents have clear channels of communication into the DRD team.

## Pension schemes

### [New automatic enrolment videos for business advisers](#)

The Pensions Regulator has produced a suite of automatic enrolment videos for business advisers, with more coming soon. These bite sized videos take you through some of the steps of automatic enrolment to help you help your clients comply with their legal duties.

Watch the latest video about sole director companies and their automatic enrolment duties.

[Sign up for 'news-by-email' for regular updates on automatic enrolment.](#)

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## Revenue & Customs Briefs

### [Revenue and Customs Brief 9 \(2015\): HMRC position following the Court of Appeal Judgment in Littlewoods Retail Ltd and others](#)

This brief is about HMRC's position on claims for compound interest following the Court of Appeal judgement in Littlewoods Retail and others. No payments are due at this stage and HMRC is seeking permission to appeal to the Supreme Court.

## Summer Budget 2015

### [Summer Budget 2015](#)

Find updates and supporting documents issued as part of the Summer Budget presented to Parliament on 8 July 2015.

## VAT

### [VAT Mini One Stop Shop \(MOSS\): register and use the service](#)

Updated to incorporate information about correcting VAT MOSS returns.

### [VAT Notes 2015 Issue 2](#)

HMRC publish VAT Notes quarterly. This issue contains a summary of all the recent changes to the VAT rules and announces future changes.

### [VAT Notice 700/21: keeping VAT records](#)

This notice gives guidance on the records you must keep if you are registered for VAT and replaces Notice 700/21 (December 2007). Details of any changes to the previous version can be found in paragraph 1.2 of this notice.

### [VAT Notice 701/10: zero-rating of books and other forms of printed matter](#)

This notice cancels and replaces Notice 701/10 (December 2011). Paragraph 6.5 covering 'The package test' now refers to direct mailing/marketing businesses and those delivering items of printed matter to recipients on behalf of their customer to read chapter 3 of Notice 700/24 - postage, delivery charges and direct marketing.

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### [HMRC working with Tax Agents Blog](#)

The blog supports HMRC's strategy for engaging with agents. It provides another channel to communicate about joint HMRC and agent consultative meetings, improvements to HMRC services by working together, HMRC's Agent Strategy and the rollout of new digital services available for agents.

### [Twitter](#)

Tweets cover information about HMRC and tax - including news, publications, information, consultations, speeches and publicity campaigns. Follow us on [Twitter@HMRCgovuk](#).

### [Employment Intermediaries Service](#)

Are you interested in an opportunity to get ahead and see how the Employment Intermediaries Service works? HMRC would like to speak to agents and get their views on how the service works - register your interest now.

### [Changes to HMRC telephone numbers](#)

From 30 June 2015 all HMRC 0845 helpline telephone numbers were taken out of service. Customers should instead use our 03 helpline telephone numbers.

## HMRC campaigns

### [Let Property campaign](#)

The Let Property Campaign gives individual landlords who are letting out a residential property in the UK or abroad, the opportunity to bring their tax affairs up to date. Customers need to notify HMRC of their intention to take part and then have 3 months to make their disclosure and pay what they owe. Customers coming forward voluntarily will receive the best terms available. Participating in the campaign allows landlords to get the best terms available and increases their chances of avoiding higher penalties.

[Download a video which explains campaigns](#)

### [Solicitors' Tax Campaign](#)

HMRC is continuing to support solicitors to bring their tax affairs up to date through the Solicitors Tax Campaign. The deadline to make a full disclosure was 9 June 2015 and HMRC is now looking at those solicitors who should have come forward, but didn't.

Customers who have missed the deadline and need to make a disclosure for this campaign should call the Voluntary Disclosure Helpline on 0300 123 1078 as soon as possible. The penalty customers pay will be lower than if HMRC comes to them first.

[Download a video which explains campaigns](#)

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## HMRC service

### [Agent Online Self Service \(AOSS\) - update](#)

In response to agent feedback, we have enhanced the AOSS private beta to include a monthly breakdown showing how payments received have been allocated to each period.

### [HMRC acts to improve customer service](#)

HMRC allocates £45 million to help improve phone and post service.

### [New services available for HMRC's deaf customers](#)

HMRC is piloting new British Sign Language services for deaf customers.

## Manuals

### [HMRC Manuals](#)

All HMRC Technical manuals are moving to GOV.UK. We expect the changeover to start soon and to be completed over the next few months. The format is changing but the words remain as drafted by HMRC experts. We will let you know how this work progresses via Agent Update and the Tax Agent Blog.

### [Recent Manual updates](#)

You can check the latest updates to HMRC manuals or subscribe to be notified when changes are made.

## Online

### [Online training material and useful resources for tax agents and advisers](#)

HMRC videos on YouTube, online learning modules and both live and pre-recorded webinars are available for tax agents and advisers to provide you with free help, learning and support on topical subjects.

### [Future online services downtime](#)

Information is available on any downtime that may affect the availability of HMRC's online services. Please note that the information is subject to change and confirmation by HMRC's IT provider.

### [Online security - stay safe online](#)

HMRC continuously monitors systems and customer records to guard against fraudulent activity and provides regular updates on the type of scams it is aware of. If you have any concerns regarding the authenticity of any emails received from HMRC, go to the online security pages for more information.

## PAYE

### [Fit for Work - update](#)

The rollout of Fit For Work is progressing rapidly across England with the remaining four waves of the General Practitioner (GP) referral programme scheduled to go live by the end of the summer. All employers in England and Wales will be able to refer from autumn 2015 once GP referrals have fully rolled out. The GP referral rollout to all remaining NHS Boards in Wales and Scotland was completed on 29 June 2015. The employer portal will go live over summer 2015 allowing employers across the whole of Scotland to also make referrals.

[See the online referral form](#)

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## Paying HMRC

### Paying HMRC - refunds to debit or credit cards

HMRC now pays refunds owed to customers who used debit or credit cards to pay their tax bill back to the card which was used. Customers will receive their refund direct to their debit or credit card. The HMRC online payment service now accepts credit (Visa and MasterCard) and debit card payments for all taxes and some miscellaneous payments.

### [Time to Pay arrangements - Direct Debit payment to be mandatory](#)

From 3 August 2015 Direct Debit will be the mandatory method of payment for all new regular Time to Pay arrangements.

## Publications

### [Employer Bulletin - August 2015](#)

Look out for issue 55 of the Employer Bulletin available 19 August 2015. This will contain topical and useful information about PAYE processes and procedures, including the latest on the Summer Budget 2015. For employers to be informed when it is available on the website, they must register to receive the email alerts.

[Register to receive email alerts](#)

### [National Insurance Services to Pensions Industry: Countdown Bulletins](#)

Countdown Bulletins provide additional guidance for pension scheme administrators on the ending of contracting-out in April 2016.

## Self Assessment

### Pre-population of Self Assessment (SA) online returns

The pay, tax and P11D details will start to be pre-populated onto the HMRC version of the online SA return from August. Once processed these details will be shown on the SA return under 'Information we hold about you', meaning you will no longer need to contact HMRC for this information. Before you can access your client's records you need to be an authorised agent. For agents using commercial software to send the SA return, we are working with third party suppliers to introduce the capability in to their software as soon as possible.

[Apply for client authorisation](#)

## Toolkits

### [HMRC toolkits for VAT Input, VAT Output and VAT Partial Exemption](#)

Guidance for tax agents and advisers on completing VAT returns has been updated.

### [HMRC toolkits - helping agents](#)

In total there are 20 toolkits that cover the 400 most common errors that HMRC see in returns filed by tax agents and advisers. The toolkits set out the steps you can take to avoid these errors and contain quick hyperlinks to supporting guidance and legislation. The toolkits are updated on a regular basis.

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## Current consultations

### [Tax Treatment of Income from Sporting Testimonials: Proposals for Legislation - closes 2 September](#)

This measure relates to the tax and National Insurance Contributions (NICs) treatment of sporting testimonials and benefit matches.

### [Vapour recovery scheme - closes 9 September](#)

HMRC invites comments on options to replace the Extra-Statutory Concession (ESC) allowing relief from excise duty on recovered petrol vapour.

### [Definition of an apprentice for employer Class 1 zero-rated relief - closes 18 September](#)

This technical consultation invites interested parties to comment on the definition of 'relevant apprentice' as provided in the draft regulations. We are particularly interested in this approach's impact regarding administration and compliance for employers.

### [Employment Intermediaries and Tax Relief for Travel and Subsistence - closes 30 September](#)

Proposals to remove home-to-work travel and subsistence tax relief where a worker is employed through an employment intermediary.

### [Taxation of performance linked rewards paid to asset managers - closes 30 September](#)

A consultation to clarify the tax treatment of rewards paid to investment fund managers.

## Current consultations

Agent Update 49 contains all new open consultations available when this issue was being published, but please check for any that may have subsequently been issued.

## Summary of responses

### [Tax-advantaged venture capital schemes: draft legislation and explanatory notes](#)

Tax-advantaged venture capital schemes: response to the consultation on ensuring continued support for small and growing businesses and the Equity Gap and Knowledge-based Firms: Executive Summary.

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## Update on Working Together (WT)

### Working Together Team (WTT)

Working Together (WT) is a partnership between HMRC and the six main agent representative bodies which looks for ways to improve HMRC operations for the benefit of tax agents, their clients and HMRC. Members from a range of other representative bodies including, AIA, IAB ICB, ICPA, IFA, CIMA, CIPFA, CIPP, CPAA, SPA, STEP, also all actively participate and contribute to Working Together. The WTT maintains an issues register that provides details of all issues (some of which are working within the Joint Initiative Steering Group). The issues register can be viewed by the professional bodies (PBs) on the Issues Overview Group (IOG) and local WT coordinators who use the register to keep up to date with the latest information, news and updates.

[Find out more about the Issues Overview Group](#)

## Digital Agent Engagement - Working Together in a digital age

Over the last year we've been having conversations with Working Together agents and professional bodies, jointly working out how we take the best of WT and move it to a digital platform. This is not new work just a new way of working and it's an exciting opportunity to develop and improve digital skills.

The WT Strategic Group (a high level strategic group made up of representatives from the professional bodies and HMRC) who oversee the WT move to digital and is responsible for agreeing the way forward with the agent community met on 19 June 2015 and agreed the following recommendations:

- move regular local WT meetings to a digital platform immediately, the first meeting will be in September 2015
- we will maintain our joint approach to developing agendas for our digital meetings. We will reserve face to face engagement for agenda items that require very close engagement

- WT agents will continue to have named dedicated WT regional contacts, Specialist Agent Managers (SAMs)
- HMRC and agents will jointly run the regional digital meetings with each region taking responsibility to host
- have standard agendas to update WT issues plus other items which agents and HMRC jointly agree should be included
- enable Regions to discuss specific issues or topics with the Subject Matter Expert joining

Face to Face meetings will be held where there is a need e.g. workshop issues relevant to business issues and the agent strategy. HMRC will also look for opportunities to support agent sponsored events.

We will open digital WT meetings to all agents and give agents the opportunity to join all WT meetings during the year not just those hosted by their region.

### So what have we done?

- WT digital meetings - we held the first WT digital meeting on 28 July inviting agents to comment on the above recommendations
- The next digital meeting is scheduled for 24 August 2015.

## Income from Property webinar for agents

### HMRC will be hosting several live webinars in August

[View the dates available here and register to join in](#)

This webinar has been tested by 29 agents who volunteered at the February and March regional agent events - so thank you to all of them. Their input has influenced the design and development of the webinar ensuring it is focussed on your needs and addresses previous feedback that webinars for agents needed to contain more technical content. Please join one of the webinars and tell us what you think, so we can continue to develop and improve the content.

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This is how we want WT in a digital age to progress working jointly with you.

[View regional agent events article in Agent Update 47](#)

If you want to volunteer to test future webinars, or other digital products and services please send an email to our mailbox and mark the subject heading ‘WT in a digital age - volunteering’.

[Working Together mailbox](#)

## WT open Issues Register

At the June Issues Overview Group (IOG) meeting the professional bodies agreed the following as priority 1 issues - there are two additional Priority 1 issues to those reported in Agent Update issue 48 - WT237 and WT238.

WT ref	Business area	Issue
WT050	PAYE Individuals	Processing P11D Expenses and associated S336 claims
WT054	Other	HMRC correspondence
WT218	Customer Contact	Intelligent Telephony Automation system (ITA)
WT226	PAYE Individuals	PAYE coding (P2) not showing wk1/mth1 indicator
WT234	Self Assessment	WT234 Self Assessment SA reminder letters were issued to unrepresented customers only
WT237	Customer Operations	Postal delays
WT238	Customer Contact	Telephone delay for non- Agent Dedicated Lines (ADL)

**WT050:** The current measure being looked at in connection with the benefits and expenses will address the current issue of the processing of P11D/S336 claims.

[Employee Benefits and Expenses - exemption for paid or reimbursed expenses](#)

Please refer to the Employer Bulletin Issue 54 for more information on the changes to the taxation of expenses and benefits in kind.

[View Employer Bulletin article](#)

**WT054:** WT has undertaken an in depth review of this issue in respect of delays in issuing correspondence and will analyse the current position and work with the professional body representatives of the IOG to identify the specific areas where action is needed.

**WT218: ITA:** A representative from HMRC provided an update at the June IOG meeting on the generic ITA “Hints & Tips” guide which has now been expanded to also include guidance on contacting HMRC, we hope to be able to share this with agents soon.

**WT226:** PAYE coding (P2) not showing wk1/mth1 indicator. Agents do not receive a copy of the client’s P2 and rely on the information provided by the client and this can lead to confusion and discrepancies in the client’s liability when it is not known when an emergency or cumulative coding has been applied. HMRC acknowledges that although this issue affects a small percentage of the whole customer base, it still creates a large amount of contact.

The Professional Bodies of the IOG attended the Digital Delivery Centre in Newcastle on 4 June and were shown the prototypes for Tax Estimate being developed for the Digital Tax Account. The IOG will discuss next steps in relation to this issue. Please see the article on the visit to the Digital Centre in the ‘Other News and Updates’ section.

**WT234:** Self-Assessment (SA) Reminder letters were issued to unrepresented customers only. Please refer to the article on SA Reminders published in Agent Update 48.

[View Agent Update 48 article](#)

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**WT237: Postal Delays:** HMRC are training new recruits to customer adviser teams who will help resolve any delays. While these new recruits are trained, at this really busy time HMRC are prioritising post items where customers are due a repayment or have a payment to make.

**WT238: Telephone Delay for non ADLs:** HMRC are recruiting extra people into their customer adviser teams and expanding the service in the evenings and at weekends when many customers want to call. HMRC has, as it has done in the past two years, moved extra staff from across HMRC to support customers in the run-up to the tax credit renewals in July to help meet the short-term peak in demand.

### WT Closed Issues

WT always do all they can to ensure that an issue has been fully addressed before closing it and part of the role of the Issues Overview Group is to ensure that issues are not closed prematurely. However we recognise that sometimes we may close an issue and agents may still experience problems, when that is the case WT are always prepared to re-open a closed issue provided agents can supply the evidence that the issue is continuing to cause problems.

There have been no closed issues since those published in Agent Update 48.

### Other News and updates

#### [Time to Pay arrangements - mandatory Direct Debit](#)

HMRC has published a Tax Agents Blog regarding the change to the way HMRC expects customers to pay future agreed time to pay arrangements.

#### [Scottish Rate of Income Tax](#)

The Scottish Rate of Income Tax (SRIT) is the amount of income tax Scottish taxpayers will have to pay and will come in to force from 6 April 2016. Please see the article published in the June edition of the Employer Bulletin for more information.

[View Employer Bulletin article](#)

### Visit to HMRC's Digital Delivery Centre Newcastle

HMRC is creating a range of new online services so that more of our customers are able to manage their tax affairs in a paperless way and at a time that is convenient to them.

Many of these new services are designed and built in HMRC's Digital Delivery Centre in Newcastle. They range from Your Tax Account, an online service already being used by more than 2.5 million businesses, to Digital Self Assessment, where almost 1.5 million customers have opted to deal with us online.

Last month professional body members of the Issues Overview Group were given a tour of this hi-tech office, along with Toni Clark, Head of the Digital Agent Engagement Migration team and a member of her team.

They saw a demonstration of the prototypes for 'Check Your Income Tax Estimate', being developed for HMRC's new digital accounts that went in to testing this month and were shown how 'Agile' methodology works. It's an approach that allows teams to break down the development of new services into smaller, easily adjustable steps, making quick decisions on what's working and involving customers every step of the way. The visitors seemed very impressed and for some, surprised - by the hi-tech nature of the office environment. One visitor wrote on one of the white walls 'Can't be an HMRC office!!' 'Totally different-and brilliant!!'

A huge thank you to those who came along and made the day such a success. We'll now be arranging a visit to another of our offices - Dorset House in London, where we have other developers working on Agent Online Self-Serve (AOSS).

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## Changes to Class 2 National Insurance

### Direct Debits

The last Direct Debit payment for Class 2 National Insurance contributions for the 2014-15 tax year was collected from banks/building societies on 10 July 2015. For your clients who will have their Class 2 National Insurance contributions collected through Self Assessment from April 2015, HMRC will automatically cancel their Direct Debit arrangements.

If you have clients who will not have their Class 2 National Insurance contributions collected through Self Assessment, and currently pay voluntary Class 2 contributions by Direct Debit, we will continue to collect their payments by this method. We are sending letters to let them know the Direct Debit collection dates and amounts for the next tax year.

### Receipt of payments we have not requested

HMRC is receiving payments that have not been formally requested, for example payments that are made in advance of a bill being issued, or by regular Standing Order.

In the past we have allowed these payments. However, from April 2015 the way we collect Class 2 National Insurance contributions is changing, as the majority of self-employed people will have their Class 2 contributions collected through Self Assessment. This means we can no longer accept advance payments or Standing Orders for Class 2 and Class 3 National Insurance contributions.

Please instruct your clients to cancel any Standing Order arrangements they have made with their bank as soon as possible.

Please note, if there are any outstanding debts relating to periods of self-employment that falls before April 2015, payment should still be made using the payment methods outlined in the letter sent to your client.

If your clients are not in Self Assessment, and they do not already have a Direct Debit in place, we will issue a payment request for any Class 2 contributions that are due for payment.

## Reminders

Please ensure your self-employed clients are registered for Self Assessment. To check if they need to be in Self Assessment, refer to the guidance on GOV.UK

[Self Assessment guidance](#)

If your clients stop being self-employed please tell us. [Stop being self employed](#)

## Construction Industry Scheme (CIS) Repayments

Following on from the collaboration last year between Working Together and the professional bodies (AAT, ACCA, CIOT/ATT, ICAEW and Local Working Together groups) to review Construction Industry Scheme (CIS) Repayments for Limited Companies, here is an update on how this year's process is working. HMRC are currently processing CIS repayment claims received in writing within 25 working days from the date of receipt, where the claim matches the information HMRC holds and are continuing to work hard to maintain this level of service.

To ensure that your correspondence is directed to our CIS teams as quickly as possible please ensure that you show the word CIS on the first page of the letter and the employer reference number when sending your claims to the following address:

NIC&EO, HM Revenue and Customs, BX9 1BX.

## Contact information for the other professional bodies

[AAT Jeremy Nottingham](#)

[ACCA Chas Roy-Chowdhury](#)

[ATT Jon Stride](#)

[CIOT Nigel Clarke](#)

[ICAEW Philippa Stedman](#)

[ICAS Charlotte Barbour](#)